

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In Re:

Chapter 7

**Aaron James Salzer,

Debtor.**

Bankruptcy No. 22-50273

**Mary R. Jensen, Acting United States Trustee,

Plaintiff,**

v.

Adv. No. _____

**Aaron James Salzer,

Defendant.**

Plaintiff, Mary R. Jensen, Acting United States Trustee, for her complaint against Aaron James Salzer, the defendant, states and alleges as follows:

1. Mary R. Jensen is the Acting United States Trustee (“UST”) for Region 12, which covers the Federal Judicial Districts of Iowa (Northern & Southern Districts), Minnesota, North Dakota, and South Dakota. The plaintiff has standing to commence this adversary proceeding pursuant to 28 U.S.C. § 586(a) and 11 U.S.C. § 727(c)(1).
2. Mr. Salzer is a resident of the State of Minnesota. He filed a voluntary petition for relief under chapter 7 of the Bankruptcy Code on June 13, 2022. The bankruptcy

case is captioned *In re Aaron James Salzer*, case number 22-50273, Bankr. D. Minn., Fifth Division, and it remains open. Erik A. Ahlgren was appointed as the chapter 7 trustee.

3. This complaint is filed under Fed. R. Bankr. P. 7001(4) and seeks an order denying Mr. Salzer's bankruptcy discharge under 11 U.S.C. § 727(a)(2)(B), (a)(3), (a)(4)(A), and (a)(5).

4. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding.

5. The plaintiff consents to entry of final judgment by the bankruptcy court in this matter.

Entities and Financial Accounts

6. The following allegations are made upon information and belief.

7. Mr. Salzer has maintained a Coinbase account since at least April 14, 2021. Between that date and June 13, 2022, Mr. Salzer purchased cryptocurrency at a cost of \$44,456.02. In the same period of time, he sold \$3,260.40 worth of cryptocurrency and received U.S. Dollars for the sales. In the same period of time, he transferred cryptocurrency with a total value of at least \$25,982.16 to an unknown destination.

False Statements on Bankruptcy Petition, Schedules, and Statement of Financial Affairs

8. On June 13, 2022, Mr. Salzer filed a voluntary chapter 7 petition, schedules,

and a statement of financial affairs.

9. On schedule A/B, Mr. Salzer failed to disclose the Coinbase Account.
10. On the statement of financial affairs, Mr. Salzer failed to disclose any transfers or sales of cryptocurrency.
11. On June 16, 2022, Mr. Salzer transferred a total of 2,733.25 in cryptocurrency to an undisclosed location.

False Testimony at Meeting of Creditors

12. Mr. Ahlgren convened the meeting of creditors on July 7, 2022. At the meeting of creditors, Mr. Salzer testified falsely as follows:
 - a. That the information in his bankruptcy documents was true and correct;
 - b. That he listed all of his assets on his bankruptcy schedules;
 - c. That he no longer had a Coinbase account;
 - d. That he cashed out the Coinbase account in approximately February of 2022.
 - e. That a \$29.99 fee that he paid to Coinbase on June 7, 2022, was a continuing monthly fee that occurred because he had “forgotten to cancel” the Coinbase account.
13. On August 24, 2022, Mr. Salzer sold cryptocurrency for a total of \$2,715.03. Mr. Salzer received the sales proceeds in U.S. dollars.

14. Mr. Ahlgren re-convened the meeting of creditors on August 25, 2022. At the re-convened meeting of creditors, Mr. Salzer testified falsely as follows:

- a. That he did not have any money in the Coinbase account.

Disposition of Funds

15. On September 16, 2022, Mr. Ahlgren requested that Mr. Salzer provide documentation for seven pre- and post-petition transfers of cryptocurrency totaling \$29,017.20.

16. On September 21, 2022, the UST requested that Mr. Salzer provided copies of any documents responsive to Mr. Ahlgren's September 16, 2022 request directly to the UST. Mr. Salzer has not provided any of the requested documents.

COUNT I

TRANSFER OR CONCEALMENT OF PROPERTY OF THE ESTATE WITH INTENT TO HINDER, DELAY, OR DEFRAUD THE CHAPTER 7 TRUSTEE AFTER THE DATE OF THE FILING OF THE PETITION

17. The plaintiff re-alleges Paragraphs 1-16 as if fully set forth herein.

18. Mr. Salzer filed a voluntary chapter 7 petition on June 13, 2022.

19. Mr. Salzer concealed his Coinbase account from Mr. Ahlgren after the date of the filing of his bankruptcy petition.

20. On June 16, 2022, Mr. Salzer transferred a total of \$1,483.85 in cryptocurrency to an undisclosed location. Mr. Salzer transferred the funds with the intent to hinder, delay, or defraud Mr. Ahlgren after the date of the filing of his bankruptcy petition.

21. On August 24, 2022, Mr. Salzer sold cryptocurrency for a total of \$2,745.03.

Mr. Salzer concealed the funds with the intent to hinder, delay, or defraud Mr.

Ahlgren after the date of the filing of his bankruptcy petition.

22. As a result of Mr. Salzer's conduct, the plaintiff is entitled to an order denying his discharge under 11 U.S.C. § 727(a)(2)(B).

COUNT II
FAILURE TO KEEP ADEQUATE RECORDS

23. The plaintiff re-alleges Paragraphs 1-22 as if fully set forth herein.

24. Mr. Salzer failed to keep or preserve recorded information from which his financial condition and business transactions might be ascertained. Specifically, Mr. Salzer failed to keep records evidencing seven pre- and post-petition transfers of cryptocurrency totaling \$29,017.20.

25. Mr. Salzer's failure to keep or preserve such recorded information is not justified under all of the circumstances of the case.

26. As a result of Mr. Salzer's conduct, the plaintiff is entitled to an order denying Mr. Salzer's discharge under 11 U.S.C. § 727(a)(3).

COUNT III
FALSE OATHS IN OR IN CONNECTION WITH THE CASE

27. The plaintiff re-alleges Paragraphs 1-26 as if fully set forth herein.

28. Mr. Salzer knowingly and fraudulently made the false oaths set forth below.

29. Mr. Salzer filed a chapter 7 bankruptcy petition, schedules, and a statement of financial affairs on June 13, 2022.
30. On schedule A/B, Mr. Salzer failed to disclose the Coinbase Account.
31. On the statement of financial affairs, Mr. Salzer failed to disclose any transfers or sales of cryptocurrency.
32. At the meeting of creditors on July 7, 2022, Mr. Salzer testified falsely as follows:
- a. That the information in his bankruptcy documents was true and correct;
 - b. That he listed all of his assets on his bankruptcy schedules;
 - c. That he no longer had a Coinbase account;
 - d. That he cashed out the Coinbase account in approximately February of 2022;
 - e. That a \$29.99 fee that he paid to Coinbase on June 7, 2022, was a continuing monthly fee that occurred because he had “forgotten to cancel” the Coinbase account.
33. At the re-convened meeting of creditors on August 25, 2022, Mr. Salzer testified falsely as follows:
- a. That he did not have any money in the Coinbase account.
34. The false oaths set forth above were material omissions regarding the Mr.

Salzer's property, property of the estate, or Mr. Salzer's financial transactions.

35. As a result of Mr. Salzer's false oaths, the plaintiff is entitled to an order denying his discharge under 11 U.S.C. § 727(a)(4)(A).

COUNT IV
FAILURE TO EXPLAIN SATISFACTORILY LOSS OF ASSETS

36. The plaintiff re-alleges Paragraphs 1-36 as if fully set forth herein.

37. Mr. Salzer has not provided a satisfactory explanation for the disposition or loss of cryptocurrency totaling \$29,017.20.

38. As a result of Mr. Salzer's conduct, the plaintiff is entitled to an order denying Mr. Salzer's discharge under 11 U.S.C. § 727(a)(5).

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WHEREFORE, the plaintiff requests that this Court enter an order and judgment denying Mr. Salzer's discharge under 11 U.S.C. § 727(a)(2)(B), (a)(3), (a)(4)(A), and (a)(5), together with such other and further relief as the Court deems just and equitable.

Dated: November 30, 2022

MARY R. JENSEN
ACTING UNITED STATES TRUSTEE
REGION 12

BY: /e/ Colin Kreuziger
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VERIFICATION

I, Colin Kreuziger, a trial attorney for the United States Trustee, the Plaintiff herein, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information, and belief.

Executed on November 30, 2022

/e/ Colin Kreuziger
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